

Sample Marketing Plan

Family Hair Salon

Executive Summary:

In three years of operation, Cutting Time Family Hair Salon has claimed a niche of serving busy, middle class families. In 2006, we will continue building this base by marketing our unique combination of **one-stop** family services, contemporary and entertaining surroundings *and* the latest in style. We will market to the mothers and pre-teen/teen children of these families through targeted media, such as direct mail, high school publications, radio and radio web sites.

We will also introduce a new service this year, called pampered parties. These parties will be geared toward females of all ages. They will be a source of attracting new clients and generating new revenue. They will also be used as a fundraising tool for our charitable activities.

In comparing ourselves to the competition, Cutting Time truly does have unique benefits to offer families – time-savings, inviting surroundings and stylists trained in the latest techniques. Adding pampered parties, the only such party planning service in this market, will give us even more of a unique selling proposition.

Situation Analysis:

- **Market Summary**

Cutting Time Family Hair Salon is located in a quickly growing suburban area. Residents predominantly fall into two categories:

Young, middle-class families. These families are dual income, white-collar families. They are college graduates and considered upper middle class, with median household income of \$56,000. Parents fall into the age range of 25 – 44 and live a very child-centered lifestyle. Median home cost is \$130,000 to \$160,000.

Upper-class families. These are the traditional soccer Mom's and Dad's. Parents fall into the age range of 35-54. They also live a child-centered lifestyle. They are college graduates with dual incomes and white-collar employment. Median household income is \$80,000. Median home cost is \$160,000 to \$200,000.

Families within our community, all potential clients, typically lead active lifestyles and are always looking for ways to better manage their busy schedules. They are willing to invest in opportunities to save time.

Leading child-centered lives, much of their income goes toward purchases for their children.

- **SWOT Analysis**

Strengths – Cutting Time has already begun establishing name recognition in our 3 years of operation. We are committed to offering the latest services and styles through ongoing training and certifications. We are conveniently located with ample parking. We offer extended hours for the busy family. Employment of hair stylists, a nail tech and a barber, ensures we can meet the needs of an entire family in one setting.

Weaknesses – One of our stylists with a strong following will be moving away mid-year, meaning we could potentially lose some clients.

Opportunities – While the loss of a stylist will be a weakness for a while, it could also be an opportunity. We intend to hire a younger stylist who will appeal to the pre-teens and teens of our families. We will also be introducing a “pampered party” service for female clients of all ages in 2006.

Threats – Our community is a somewhat transient area due to employee promotions and transfers. It is common for residents to leave the area. Also, in the coming year, a nationally-franchised family hair salon will be opening in our area.

- **Products and Services**

- Hair services
- Nail services
- Skin care services
- Top line beauty products
- Pampering parties (massage service during pampering parties only)
- Using the latest cut and style techniques along with innovative skin care and beauty products PLUS the option for all family members to visit at once. . .we offer the benefit of time-savings and fewer visits.

- **Competition**

Competition	Price	Location	Image	Service	Target Market	Marketing
Cutting Time	Above average but not the highest.	Convenient. High traffic area.	Progressive. Contemporary. Family-oriented.	Very service-oriented. Meet family needs.	Middle-class to upper-class families.	More than most local salons but not at the level of the national franchise.
New Image	Affordable for students, but not the lowest.	Convenient. High traffic area.	Not family-oriented. Promotes only youth trends.	Service-oriented. Extended hours.	Gen Y	Mostly targeting high school and college campus.
The Hairport	Low	Inconvenient.	Old fashioned. Not up with latest styles.	Not especially service-oriented. No evening or weekend hours.	Low to middle-class women 50 plus.	No marketing.
The Mane Event	Average	Difficult to reach following recent addition of median.	Long-time business, but haven't really established an "image."	Not known for high level or low level of service.	Middle-class families.	Average level of marketing.
Eileen's Hair	Highest	Convenient, but in a high-end strip mall.	More of a spa environment for women only.	Very high service standards. Pampering.	Upper middle-class and upper-class women.	Minimal marketing. Long-time in market. Established base.
BJ's Family (new to market)	Lowest	Not yet certain where they will be located.	For the budget-minded family.	Fast service and convenient hours, but not considered high quality service.	Families; Low to middle income	Very aggressive marketing.

Cutting Time Family Hair Salon obviously has a number of advantages over the closest competitors in our community. While we are not the lowest in price, we offer greater value to busy families by being convenient, offering extended hours and one-stop family services. Many of our competitors focus more on women. Those who do focus on family, don't target the middle-class and upper-class families who are willing to pay a bit more for a stylish image.

- **Target Market**

Our primary target market is mothers of the middle and upper-class families, as they are the ones typically scheduling hair appointments. They mainly fall into the age range of 30 – 50. They are college graduates – either stay-at-home wives of white collar management or executives or career women themselves. They stay busy with sports and other youth activities, with many trying to juggle work hours. They are motivated by doing the best they can for their family, especially their children, and by any way they can save precious hours in the day. This segment accounts for 40%, or 22,140 of the population in our community.

Our secondary target is the children of these families, especially the preteens and teens, who often influence the family's purchase decisions. The children would be motivated by peer influence and the latest styles and trends. This segment accounts for 15%, or 8,100 of the population in our community.

Marketing Strategies:

- **Mission**

Cutting Time Family Salon will strive to be a preferred provider of salon services for busy families. We will offer added value by offering one-stop cutting-edge services in a family-friendly, yet contemporary environment.

- **Goals**

- In 2006, we will average 10 new families monthly, with a goal of 350 new clients by year end.
- By December 31, 2006, we will increase annual revenue by 20%.
- We will launch our new “pampered parties” by July 1, 2006, with a goal of having booked 25 parties by the end of the year.

- **Unique Selling Proposition**

Our salon offers the unique combination of one-stop family services, contemporary and entertaining surroundings such as family-friendly video games *and* the latest in style. No other salon in our market offers such wide appeal to the entire family. Because the family is willing to come to one place, and can come at the same time, we save families valuable time.

- **Positioning**

We will position ourselves as being able to meet all family needs, saving time for the busy family. Our latest trends will please the pre-teen daughter and hand-held video games will keep the son occupied. For fathers who are more comfortable with a barber, we employ one. Mom is happy, because everyone can make one trip. It's a family affair. Also, the pampered parties are an answer to the busy Mom's birthday or other party planning.

Our tagline will be: "Cutting Time. . .for Your Whole Family"

- **Target Marketing**

We will focus primarily on marketing that will enable us to reach the "mom" demographic and "youth" demographic segments we have identified. This will require the selection of limited, very targeted media. This approach, of targeting only those segments from which we can expect the highest response, will provide the most efficient use of our limited marketing budget.

- **Pricing Strategy**

Our pricing is not the lowest or the highest in the market. Our target demographic is willing to pay slightly more for convenience and image; however, we must remain within reasonable price limits to appeal to families. A lady's cut and style among our competitors ranges from \$12 to \$35, with ours falling at \$19. We also offer a 10% discount when a family of four or more receives services in one visit.

Our average revenue per client is \$32. Using the breakeven formula of estimated monthly fixed costs divided by (revenue per unit minus variable costs per unit), we know that we need 177 clients monthly or \$5664 in monthly revenue to break even.

This \$32 average does not include any additional revenue we will realize through the introduction of our pampered parties.

- **Advertising Strategy**

We will use direct mail, yellow pages, high school publications, radio and some local web ads to specifically target our specific demographic segment. We will rely most on direct mail, as we can better target households within a specific radius of our salon.

- **Promotional Strategy**

When we launch our pampered parties, we will hold a media event to promote the program. We will also look for other opportunities to send press releases throughout the year.

For community involvement, we will support local schools and youth programs, that enable us to reach our target markets. Due to a limited budget, we must be selective in the programs we support. From a philanthropic standpoint, we will support the local children's hospital.

We will purchase a small quantity of specialty items to give when approached for donations for family-oriented events, such as school auctions and spring festivals.

- **Sales Strategy**

While we do not employ an active sales force, our owner does intend to actively contact preschools and mother-oriented community groups to ask about distributing pampered party fliers.

- **Research Strategy**

When possible, advertising will be coded to track the response. For example, ads will have coupons or special offers. We will also ask all new clients how they heard about us. All new clients will be asked to complete a client profile for a percentage off of their next services. The profile will gather demographic information as well as contact information, including email.

Marketing Tactics:

Advertising Action Plan (by month or quarter)

First Quarter:

We will update our current brochure to emphasize our unique selling proposition more. Because we will not add pampered parties until July, we will not add this to the brochures. We will rely on an inexpensive insert announcing the parties are coming until we reprint brochures the following year.

We work with a local college graphic design department to create a "campaign" for the year. Employing a younger designer is cost-effective for us and gives our materials a more contemporary look. All pieces of the

2006 campaign will have a similar look, but will vary depending on the target audience.

- High school newspaper ad (teens)
- Ad for select school activity program books (moms)
- 2 web banners for radio station sites (1 for mom; 1 for teen)

As part of the campaign, we will work with WKLQ to create radio spots for two stations – one targeting moms and one targeting teens.

Continuing the creative concept of our other print materials, we will work with Home Mailer Direct Mail service to create our direct mail piece.

Second Quarter:

We will develop a pampered parties brochure, specifically detailing party costs and options.

All materials created for our 2006 campaign will continue to run throughout the second, third and fourth quarters.

Promotional Action Plan (by month or quarter)

First Quarter

Research and order new specialty items carrying the salon name for community donations. We will order a higher quantity of lower-cost items geared toward pre-teens and teens. We will also order a smaller quantity of higher-cost items to be given as door prizes for craft shows, card parties, luncheons, etc.

We will also order new salon t-shirts for staff to wear at PR events.

Second Quarter

We will begin preparing for the PR activities outlined in the second quarter.

Third Quarter

The first week of July, we will send news releases to the media announcing our new pampered parties program. We will announce it is a new concept in children and adult parties in this area. We will also announce we will be using it for Cutting Time's main community outreach effort. We will begin this effort by raffling off a pampered party for 10.

Tickets will be on sale at our salon. All money raised will go to purchase toys at the local children's hospital.

In August, following the raffle, we will set up a time to present the money raised. At the same time, we will hold a pampered party for some young cancer patients at the hospital. We have already discussed this with the hospital administrators. We will work with their PR department to invite the media for the pampered party.

We have chosen the hospital as our primary charity, and this will be the beginning of ongoing fundraising efforts for them. We have committed to donate \$10 to the hospital for each party hosted. We may change this to a percentage donated, after we have determined the success of the program.

In September, our employees will enter a team for the Race for the Cure.

Fourth Quarter

As in past years, we will work with the PTO of two schools to purchase Christmas dinner for two families.

This year, we will also be providing dinner (and toys) for two families selected by the children's hospital.

Sales Action Plan (by month or quarter)

Third and Fourth Quarters

We will begin contacting two day care centers or preschool's weekly to inquire about distributing pampered party brochures to be sent home to parents.

Through the end of 2006, staff members who book a new client for a pampered party will receive a \$10 incentive.

Because we are not certain how quickly we will begin booking parties, we will handle the sales and hosting aspects of the parties with existing staff. As the program takes off, we may consider hiring a part-time intern for the specific purpose of promoting and managing the parties.

Monthly Sales Tracking

On a monthly basis, we will track sales to compare our plan vs. actual in meeting the following goals.

- New families monthly; 350 new clients by year end.
- Year to date increase in revenue; 20% net increase by year end.
- After July 1, 2006, 5 pampered parties booked monthly; 25 by the end of the year.

Research Action Plan

All new clients will receive a survey, preferably to be filled out while they are still in the shop. The survey will ask about demographic information and preferences. It will also ask how the client heard about us, in order to monitor our marketing. In addition, we will ask for phone, address and email for future contact. All information will be maintained in a central database.

If the survey is not completed in the shop, we will mail it with a postage-paid envelope. A discount coupon will be offered as an incentive to complete the survey.

Expenses/Budget (See Appendix A)

Target Dates and Assignments (See Appendix B)

Remember! A Marketing Plan is a work in progress. Revisit it often. Use the notes section of your assignment list. It does you no good if your plan sits in a desk drawer or on a shelf all year. Follow your plan. Act, observe, adjust and act again.

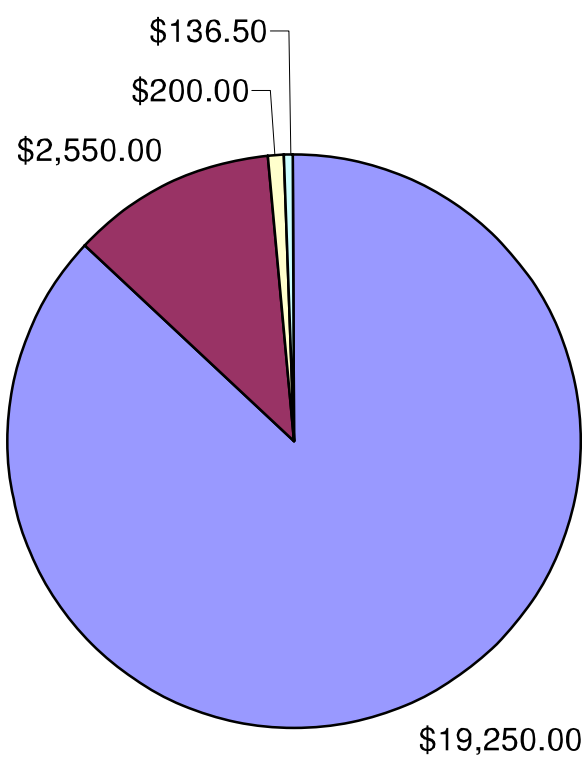


This sample marketing plan written and provided by Mustard Seed Marketing. Find more sample small business marketing materials at <http://www.marketing-small-business.net>.

Appendix A

Marketing Budget Plan				
Category	Estimated Quantity	Estimated Cost per Unit	Estimated Subtotal	Notes
Advertising				
New brochures	1,000	\$0.30	\$300.00	Brochure development & printing
Pampered party inserts	1,000	\$0.15	\$150.00	
Pampered party brochures	2,000	\$0.15	\$300.00	
Direct mail	120,000	\$0.04	\$4,800.00	
Radio	500	\$21.00	\$10,500.00	Qtly as part of Home Mailer pack. 2 Stations - WKLQ and WRMY
HS newspapers	6	\$50.00	\$300.00	
Yellow pages	12	\$200.00	\$2,400.00	Free on radio web sites
Web coupon	0	\$0.00	\$0.00	
Creative cost for designer	1	\$500.00	\$500.00	
Advertising Costs Total			\$19,250.00	
Promotional				
Pampered party giveaway	1	\$200.00	\$200.00	
Tickets for raffle	500	\$0.10	\$50.00	
Small giveaway items for teens	1,000	\$1.00	\$1,000.00	
Larger door prize giveaway item	50	\$8.00	\$400.00	
Community group sponsorships	10	\$50.00	\$500.00	
T-shirts	20	\$5.00	\$100.00	
Holiday dinner/toys	4	\$75.00	\$300.00	
Promotional Costs Total			\$2,550.00	
Sales				
Pampered party brochures	0	\$0.00	\$0.00	These are included in advertising costs
\$10 incentive to employees who book a new client for a pampered party	20	\$10.00	\$200.00	
Sales Costs Total			\$200.00	
Research				
Mailing with survey and coupon to new clients	350	\$0.39	\$136.50	
Research Costs Total			\$136.50	
ESTIMATED MARKETING GRAND TOTAL			\$22,136.50	

Budget Plan Chart



Advertising Promotional Sales Research

Appendix B

Marketing 2006 Target Dates and Assignments

Task	Completion Date	Person Assigned	Notes
Advertising			
Talk with college and hire student designer	11/1/2005	Mary	
Talk with Home Mailer to schedule '06 mailings	12/1/2005	Beth	
Talk with radio stations to schedule '06 radio	12/1/2005	Beth	
Contact HS newspapers about ads in '06	12/1/2005	Erin	
Complete HS newspaper ad, web ads and program ad	1/2/2006	Beth	
Complete radio spots	1/15/2006	Beth and Mary	
Complete direct mail design	1/15/2006	Beth and Mary	
Update current salon brochures	1/31/2006	Mary	
Pampered Party Inserts	5/1/2006	Mary	
Pampered Party Brochures	6/10/2006	Mary	
Work with yellow pages rep on ad for 2007	12/1/2006	Mary	
Promotional			
Order salon t-shirts	3/1/2006	Erin and Steve	
Order specialty items	3/1/2006	Erin and Steve	
Get and distribute Race for the Cure team info	5/1/2006	Kris	
Plan pampered party announcement	6/10/2006	Mary	
Order tickets for raffle	6/10/2006	Mary	
Send news release announcing pampered parties	7/1/2006	Mary	
Set up check presentation from raffle and pampered party at hospital. Work with hospital on media invitation.	8/15/2006	Mary	
Community group sponsorships	Ongoing	Mary	
Plan holiday dinner and toys programs	11/1/2006	Erin and Steve	
Sales			
Contact Schools and Preschools	2 weekly	Erin	
Employees take pampered party brochures to give to potential clients	After 7/1/06 and ongoing	Everyone	
Research			
Update surveys for new clients	1/5/2006	Kris	